

**SCOTT B. LAKIN, Director, Department of Insurance, State of Missouri,**

**Plaintiff,**

**V.**

**Case No. CV 99 323050**

**GENERAL AMERICAN MUTUAL  
HOLDING COMPANY, a Missouri  
Mutual Holding Company,**

**Defendant.**

**PETITION FOR AN ORDER, JUDGMENT AND DECREE TO LIQUIDATE THE  
BUSINESS OF GENERAL AMERICAN MUTUAL HOLDING COMPANY**

COMES NOW the Honorable Scott B. Lakin, Director of the Missouri Department of Insurance, in his capacity as Rehabilitator of General American Mutual Holding Company (“GAMHC”), by and through counsel, and pursuant to §375.1174 and §375.1175 RSMo 2000, hereby petitions this Court for an Order, Judgment and Decree to Liquidate the Business of GAMHC (“Liquidation Order”), authorizing the liquidation of GAMHC. In support of this Petition, the Petitioner states as follows:

1. Petitioner Scott B. Lakin is the Director of the Missouri Department of Insurance, and the duly appointed successor of former Director Keith Wenzel. Petitioner was appointed the statutory Rehabilitator of GAMHC pursuant to this Court's September 17, 1999, "Order (1) Placing General American Mutual Holding Company into Rehabilitation; and (2) Approving Notice of the Hearing to Approve Plan of Reorganization."

2. Jurisdiction and venue of this proceeding are proper pursuant to §§375.1150 to 375.1246, RSMo 2000.

3. GAMHC is a mutual holding company organized and operating under the laws of the State of Missouri pursuant to §§376.1300-376.1322 RSMo 2000.

4. GAMHC owned 100% of the stock of GenAmerica Corporation (“GAC”), which is a stock holding company organized under Missouri law. GAC in turn owned 100% of the stock of General American Life Insurance Company (“GALIC”), a stock life insurance company organized under Missouri law. GAC also owned, directly and indirectly, a controlling interest in the stock of certain other subsidiaries, including Reinsurance Group of America, Inc. (“RGA”), and Conning Corporation (“Conning”).

5. In 1999, GALIC suffered a liquidity crisis that threatened the continued operation of the company. In order to combat this crisis the Board of Directors of GAMHC contacted the Missouri Department of Insurance for assistance.

6. On August 10, 1999, Petitioner placed GALIC under voluntary administrative supervision. After a thorough consideration of the issues facing GALIC, all of the relevant parties decided that the interests of the members of GAMHC, the creditors of GALIC, the policyholders of GALIC and of GALIC’s insurance company subsidiaries would be best served by:

- a.) the sale of all the issued and outstanding shares of common stock of GAC by GAMHC to Metropolitan Life Insurance Company (“MetLife”),

- b.) the reorganization of GAMHC from a mutual holding company to the owner and holder of the proceeds of the GAC stock sale, and
- c.) the distribution of the proceeds of such sale;
  - i.) to certain creditors of GAMHC,
  - ii.) to MetLife on account of certain indemnification rights,
  - iii.) and as to any residual, to the Members of GAMHC in accordance with their Membership Interests.

7. The GAC stock sale was authorized through the execution of the Stock Purchase Agreement by and between GAMHC and MetLife on August 26, 1999. The Stock Purchase Agreement was closed on January 6, 2000.

8. On September 17, 1999, Petitioner filed the Verified Petition for Rehabilitation asking this Court to enter an Order of Rehabilitation.

9. In the “Order (1) Placing General American Mutual Holding Company into Rehabilitation; and (2) Approving Notice of the Hearing to Approve Plan of Reorganization,” this Court found that the Petitioner was authorized to rehabilitate GAMHC because, “(a) GAMHC’s Board of Directors has consented to an order of rehabilitation, (b) General American Life Insurance Company, the life insurance company which is indirectly wholly-owned by GAMHC, is in administrative supervision pursuant to Mo. Rev. Stat. §375.1160, which is a ‘proceeding’ as described in Mo. Rev. Stat. §376.3122, (c) GAMHC’s rehabilitation is essential for removing the conditions that led to GALIC’s administrative supervision, and (d) the further transaction of business by GAMHC absent the transactions contemplated to be

consummated pursuant to this rehabilitation proceeding would be hazardous to the policyholders of GALIC and its insurance company subsidiaries, to the members of GAMHC and to the public.” Paragraph 2, “Order (1) Placing General American Mutual Holding Company into Rehabilitation; and (2) Approving Notice of the Hearing to Approve Plan of Reorganization.”

10. After notice and hearing, this Court entered its “Judgment Confirming Plan of Reorganization” of GAMHC on November 10, 1999. The GAMHC Plan of Reorganization (“Plan of Reorganization”) was designed “to facilitate, effectuate and cause the rehabilitation and reorganization of GAMHC as set forth in this Reorganization Plan and the schedules and exhibits hereto.” Recital C, Plan of Reorganization.

11. Furthermore, this Court found that, “GAMHC consented to the commencement of this rehabilitation proceeding and to the Plan.” Paragraph B, Judgment Confirming Plan of Reorganization.

12. Under Article 7 of the Plan of Reorganization, “The Rehabilitator may, consistent with his existing contractual and other obligations, at such time as he deems appropriate after the Closing, apply to the Rehabilitation Court for an order to demutualize, liquidate and/or dissolve GAMHC.” Section 7.1, Plan of Reorganization.

13. GAMHC is presently the owner and holder of the GAC stock purchase price proceeds. The parties to the Plan of Reorganization never intended to reform GAMHC into an operational mutual holding company. The intent of the parties was to rehabilitate GAMHC through the GAC stock sale then to liquidate GAMHC so a

distribution of the purchase price could be made to the eligible Members of GAMHC. Therefore, Rehabilitator respectfully submits that further attempts to rehabilitate GAMHC would be futile.

14. Pursuant to §375.1174 RSMo 2000, the Petitioner may petition the Court for a Liquidation Order whenever the Petitioner believes further attempts to rehabilitate an insurer would be futile.

15. Further, pursuant to §375.1175 RSMo 2000, the Petitioner may petition the Court for an Order directing him to liquidate a mutual holding company on the basis of any ground for a Rehabilitation Order as specified in §375.1165 RSMo 2000. In the “Order (1) Placing General American Mutual Holding Company into Rehabilitation; and (2) Approving Notice of the Hearing to Approve Plan of Reorganization,” this Court found that there were grounds for the Petitioner to rehabilitate GAMHC including the consent of GAMHC’s Board of Directors.

16. Accordingly, the Petitioner believes it is in the best interests of the Members and creditors of GAMHC and the public that GAMHC be placed into liquidation pursuant to §375.1174 and §375.1175 RSMO, *et seq.*

17. All of the Members of GAMHC have received notice of the rehabilitation of GAMHC and of the hearing to approve the Plan of Reorganization. Further, the said Members received notice of the Bar Date for filing claims against GAMHC. The Petitioner proposes that the GAMHC estate not be required to send additional notice of GAMHC’s liquidation to its Members. This action will reduce administrative costs, preserve the property of GAMHC, and minimize the risk of conflicting notices which

may tend to confuse GALIC policyholders about continuing coverage under their policies.

WHEREFORE, Petitioner Scott B. Lakin, in his capacity as Director of the Missouri Department of Insurance, prays for the Court to; A) MAKE THE FOLLOWING FINDINGS:

1. That Petitioner is the Director of the Missouri Department of Insurance and is the statutory Rehabilitator of GAMHC.

2. That jurisdiction and venue of this proceeding are proper under §375.1154 RSMo 2000.

3. GAMHC is a mutual holding company organized and operating under the laws of the State of Missouri pursuant to §§376.1300-376.1322 RSMo 2000.

4. GAMHC owned 100% of the stock of GenAmerica Corporation (“GAC”), which is a stock holding company organized under Missouri law. GAC in turn owned 100% of the stock of General American Life Insurance Company (“GALIC”), a stock life insurance company organized under Missouri law. GAC also owned, directly and indirectly, a controlling interest in the stock of certain other subsidiaries, including Reinsurance Group of America, Inc. (“RGA”), and Conning Corporation (“Conning”).

5. In 1999, GALIC suffered a liquidity crisis that threatened the continued operation of the company. In order to combat this crisis the Board of Directors of GAMHC contacted the Missouri Department of Insurance for assistance.

6. On August 10, 1999, Petitioner placed GALIC under voluntary administrative supervision. After a thorough consideration of the issues facing GALIC,

all of the relevant parties decided that the interests of the members of GAMHC, the creditors of GAMHC, the policyholders of GALIC and of GALIC's insurance company subsidiaries would be best served by:

- a.) the sale of all the issued and outstanding shares of common stock of GAC by GAMHC to Metropolitan Life Insurance Company ("MetLife"),
- b.) the reorganization of GAMHC from a mutual holding company to the owner and holder of the proceeds of the GAC stock sale, and
- c.) the distribution of the proceeds of such sale;
  - i.) to certain creditors of GAMHC,
  - ii.) to MetLife on account of certain indemnification rights,
  - iii.) and as to any residual, to the Members of GAMHC in accordance with their Membership Interests.

7. The GAC stock sale was authorized through the execution of the Stock Purchase Agreement by and between GAMHC and MetLife on August 26, 1999. The Stock Purchase Agreement was closed on January 6, 2000.

8. On September 17, 1999, Petitioner filed the Verified Petition for Rehabilitation.

9. This Court entered its "Order (1) Placing General American Mutual Holding Company into Rehabilitation; and (2) Approving Notice of the Hearing to Approve Plan of Reorganization," finding that Petitioner was authorized to rehabilitate GAMHC because, "(a) GAMHC's Board of Directors has consented to an order of rehabilitation, (b) General American Life Insurance Company, the life insurance

company which is indirectly wholly-owned by GAMHC, is in administrative supervision pursuant to Mo. Rev. Stat. §375.1160, which is a 'proceeding' as described in Mo. Rev. Stat. §376.3122, (c) GAMHC's rehabilitation is essential for removing the conditions that led to GALIC's administrative supervision, and (d) the further transaction of business by GAMHC absent the transactions contemplated to be consummated pursuant to this rehabilitation proceeding would be hazardous to the policyholders of GALIC and its insurance company subsidiaries, to the members of GAMHC and to the public." Paragraph 2, Order (1) Placing General American Mutual Holding Company into Rehabilitation; and (2) Approving Notice of the Hearing to Approve Plan of Reorganization.

10. After notice and hearing, this Court entered its "Judgment Confirming Plan of Reorganization" of GAMHC on November 10, 1999. The GAMHC Plan of Reorganization ("Plan of Reorganization") was designed "to facilitate, effectuate and cause the rehabilitation and reorganization of GAMHC as set forth in this Reorganization Plan and the schedules and exhibits hereto." Recital C, Plan of Reorganization.

11. This Court further found that, "GAMHC consented to the commencement of this rehabilitation proceeding and to the Plan." Paragraph B, Judgment Confirming Plan of Reorganization.

12. Article 7 of the Plan of Reorganization authorized the Petitioner to apply to this Court for an order to de-mutualize, liquidate and/or dissolve GAMHC.



13. Sufficient cause exists for liquidation of GAMHC under §375.1174 and §375.1175 RSMo 2000, for the following reasons:

a. Further attempts to rehabilitate GAMHC would be futile, pursuant to §375.1174.1 RSMo 2000, and

b. The Board of Directors of GAMHC consented to the rehabilitation of GAMHC which is a basis for the Petitioner to seek a Liquidation Order, pursuant to §375.1175.1 RSMo 2000.

14. It is in the best interest of the policyholders and creditors of GAMHC and the public that GAMHC be placed into liquidation.

15. It is necessary to enter an order of liquidation regarding GAMHC in order for the Rehabilitator to make a distribution of the proceeds of the sale of the GAC stock to the eligible Members of GAMHC, in conformity with the stated goals of the Plan of Reorganization.

16. MetLife has been granted certain rights through the Stock Purchase Agreement and the Plan of Reorganization, and it is the intention of all parties involved in this receivership that these rights will be preserved while GAMHC is in liquidation.

17. All of the Members of GAMHC have received notice of the rehabilitation of GAMHC and of the hearing to approve the Plan of Reorganization. Further, the said Members received notice of the Bar Date for filing claims against GAMHC. The Petitioner proposes that the GAMHC estate not be required to send additional notice of GAMHC's liquidation to its Members. This action will reduce administrative costs, preserve the property of GAMHC, and minimize the risk of conflicting notices which

may tend to confuse GALIC policyholders about continuing coverage under their policies.

AND B) ENTER THE FOLLOWING ORDERS, JUDGMENTS AND DECREES:

1. The business of GAMHC is ordered liquidated.
2. The Director of the Missouri Department of Insurance is appointed as Liquidator of GAMHC pursuant to §375.1176 RSMo 2000. The Liquidator is directed to liquidate GAMHC, pursuant to §375.1150, *et seq.*, and to take such other action as the nature of this cause and the interests of the policyholders, creditors or the public may require, subject to further Orders of this Court.
3. The Liquidator is authorized and directed to immediately take possession of the assets of GAMHC, wherever located.
4. Title to all of the property, contracts and rights of action, and all books and records wherever located, of GAMHC is vested in the Liquidator pursuant to §375.1176 RSMo 2000.
5. GAMHC's current and former officers, directors, managers, agents and employees are enjoined from disposing of any of GAMHC's property, or transacting any business except upon permission of the Liquidator, or by further Order by the Court.
6. Once in liquidation, the Liquidator is authorized to seek an Order from this Court authorizing the disbursement of the property of GAMHC to the eligible Members of GAMHC pursuant to the terms of the Plan of Reorganization.

7. The rights of MetLife contained in the Stock Purchase Agreement and the Plan of Reorganization are hereby affirmed and ordered preserved.

8. The Liquidator is directed to provide periodic accountings to the Court pursuant to §375.1176.6 RSMo 2000.

9. The Liquidator shall have all the powers of the directors, officers and managers of GAMHC, whose authority was suspended by previous order of this Court.

10. The Liquidator has full power to direct, manage, hire and discharge employees of GAMHC.

11. All banks, savings and loan associations, or other persons or entities which have on deposit, in their possession, custody or control any funds, accounts, or any other assets of GAMHC shall immediately transfer title, custody and control of such to the Liquidator and are hereby instructed that the Liquidator has absolute control over such accounts and other assets. The Liquidator may change the name of such accounts and other assets, withdraw them from any such bank, savings and loan association, other institution, person or entity, or take any lesser action necessary for the proper conduct of this liquidation. No bank, savings and loan association, other person or entity shall exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever or refuse to transfer any funds or assets to the Liquidator's control without the permission of this Court.

12. GAMHC, its officers, directors, agents, brokers, general agents, employees, and all other persons having notice of these proceedings or of the Liquidation Order are enjoined from transacting any business of GAMHC or disposing

of any property or assets of GAMHC unless authorized by the Liquidator under the supervision of this Court, or doing or permitting to be done any action which might waste the property or assets of GAMHC.

13. The Liquidator is authorized by §§375.1176 and 375.1182 RSMo 2000, to deal with the property, business and affairs of GAMHC, and to institute, prosecute, defend, compromise, intervene in, seek stays in, or become a party to, such suits, actions or proceedings at law or in equity as may, in the Liquidator's opinion, be necessary for the collection, recovery, protection, maintenance, or preservation of the property of GAMHC, or for the benefit of GAMHC's policyholders, shareholders and creditors in the courts and tribunals, agencies or arbitration panels of this state and other states in his name as Liquidator, or in the name of GAMHC.

14. The Liquidator is authorized to take any actions necessary to prevent, preferences and to prevent the dissipation of GAMHC's assets and is authorized to seek specific injunctions against appropriate parties pursuant to §375.1155 RSMo 2000, and to enjoin the dissipation of GAMHC's assets already paid out as potential preferences or fraudulent conveyances.

15. The Liquidator is authorized, within ten (10) years or such other longer time as applicable law may permit, to institute an action or proceeding on behalf of the estate of GAMHC upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the Petition, pursuant to §375.1188 RSMo 2000.

16. The Liquidator is authorized and directed to wind-down and terminate GAMHC's business and affairs and to make the continued expenditure of such wages, rents, and other expenses as are necessary for the administration of the liquidation of GAMHC pursuant to the approval of this Court.

17. The Liquidator is authorized pursuant to §375.1182.1 RSMo 2000, to retain additional professionals, consultants or other service providers as necessary with respect to these proceedings and to fix the reasonable compensation of such persons with the approval of this Court.

18. The Liquidator is authorized pursuant to §375.1182.1 RSMo 2000, to pay as administrative expenses, all reasonable attorneys' fees, accounting fees, consulting fees, other service providers and other administrative expenses incurred in connection with the liquidation of GAMHC from the assets of GAMHC under §375.1150, *et seq.*, pursuant to the terms of the Plan of Reorganization and the approval of this Court.

19. Except by leave of this Court during the pendency of the liquidation, GAMHC and all customers, principals, investors, creditors, stockholders, lessors, and other persons, except for the Liquidator, seeking to establish or enforce any claim, right or interest against or on behalf of GAMHC, and all others acting for or on behalf of such persons including attorneys, trustees, agents, sheriffs, constables, marshals and other officers and their deputies and their respective attorneys, servants, agents, employees, are enjoined from:

- a. Commencing, prosecuting, continuing or enforcing any claim, suit or proceeding involving GAMHC or against any of its assets, other than the Claims

which were presented to the Special Deputy Receiver in response to the “Notice of Bar Date For Filing Claims Against General American Mutual Holding Company” and the “Proof of Claim” forms sent to potential claimants at their request.

b. Commencing, prosecuting, continuing or enforcing any suit or proceeding in the name of or on behalf of GAMHC;

c. Accelerating the due date of any obligation or claimed obligation, enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of, any property of GAMHC, or attempting to foreclose, forfeit, alter or terminate any interest of GAMHC in any of its property or assets whether such acts are part of a judicial proceeding or otherwise;

d. Using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution or other process for the purpose of impounding or taking possession of, or interfering with, or creating, or enforcing a lien upon, any property or assets of GAMHC wherever located, owned by or in the possession of GAMHC or the Liquidator appointed pursuant to this Liquidation Order or any agents appointed by the Liquidator; and

e. Doing any act or thing whatsoever to interfere with the taking control of, possession or management by the Liquidator appointed herein of the property of GAMHC or subject to this liquidation, or to in any way interfere with the

Liquidator, or to interfere, in any manner, with the exclusive jurisdiction of this Court over the property and assets of GAMHC or subject to this liquidation.

20. No person may serve or cause to be served upon the Liquidator or receive for the Liquidator, any legal process as defined herein, without first securing the authorization of this Court or the specific written consent of the Liquidator. Legal process herein shall include attachments, garnishments, or levy of execution. Authorization of this Court may be in the form of relief from the injunctions set forth herein or other appropriate order.

21. Persons endeavoring to secure documentation from the Liquidator shall in all instances first attempt to secure such by submitting a formal written request to the Liquidator. If such request has not been responded to within thirty (30) days, such person may thereafter seek an Order of this Court with regard to the documentation requested.

22. The Liquidator shall have all the powers and authority to perform all acts and other matters conferred upon the Liquidator pursuant to §375.1150, *et seq.*, and all powers now held or hereafter conferred upon them by the laws of this State.

23. The enumeration of the powers and authority of the Liquidator as set forth in the Liquidation Order or §375.1150, *et seq.*, shall not be construed as a limitation upon them, nor shall it exclude in any manner the right to do such other acts not specifically enumerated or otherwise provided for, as may be necessary or appropriate for the accomplishment of the liquidation of GAMHC.

24. Notice of this liquidation is not necessary, would not be economically justified, and may tend to confuse GALIC policyholders about continuing coverage under their policies. All of the Members of GAMHC have received notice of the rehabilitation of GAMHC and of the hearing to approve the Plan of Reorganization. Further, the said Members received notice of the Bar Date for filing claims against GAMHC. Therefore notice of the Liquidation Order is not required.

25. All previous procedural Orders, including those approving compensation, entered by this Court in the rehabilitation proceeding shall continue in effect during the liquidation unless otherwise modified or amended.

26. This Court shall retain jurisdiction of this matter, pursuant to §375.1176.1 RSMo 2000, for the purpose of granting such other or further relief as the nature of this cause and the interests of the policyholders, creditors and stockholders of GAMHC or the members of the public may require.

27. There is no just reason for delay, and the Order is entered as a final judgment pursuant to §375.630.4 RSMo 2000.



Respectfully Submitted,

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ATTORNEYS FOR THE PETITIONER

COUNTY OF COLE            )  
  ) ss.  
STATE OF MISSOURI        )

I, the undersigned, swear upon my oath that I am Scott B. Lakin, the duly appointed and confirmed Director of the Department of Insurance, that I have authorized the filing of this petition, and that the facts alleged in this petition are true and accurate to the best of my knowledge, information and belief.

\_\_\_\_\_  
Scott B. Lakin

Subscribed and sworn to before me this \_\_\_\_\_ day of January, 2002.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_